



WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT
Division of Workforce Solutions
Bureau of Partner Services

**TO: Economic Support Supervisors
Economic Support Lead Workers
Training Staff
Child Care Coordinators
W-2 Agencies**

FROM: Amy Mendel-Clemens
CARES Call Center
Policy & Systems Communications Section

SUBJECT: CHILD CARE POLICY CHANGES

CROSS REFERENCE: *Child Day Care Manual*

EFFECTIVE DATE: Immediately

PURPOSE

This memo addresses the following child care policy changes:

1. As a result of the 2001 – 2003 Wisconsin State Budget, statutory language was changed to clarify the intent that parents should not receive Wisconsin Shares child care subsidy payments for caring for their own children.
2. The maximum registration fee decrease from \$100 to \$50.

BACKGROUND

Parents Providing Care:

The Division of Hearings and Appeals made a decision that under certain circumstances, State Statute §49.155 (3m)(d) allowed parents to receive child care funding for providing care to their own children.

Also, it had been noted by local agencies that providers were hiring parents of the children enrolled in their center to provide care. The Office of Child Care perceives this as a way for parents to receive the child care subsidy for caring for their own children with the provider acting as the agent passing the child care subsidy to the parent.

BPS OPERATIONS MEMO

No.: 02-24

File: 7032
7999

Date: 04/08/2002

Non W-2 ☐ **W-2** ☐ **CC** ☒

PRIORITY: High

The statute was modified as part of the 2001 Wisconsin Act 16 in order to clarify the intent that parents should **not** receive child care funding to care for their children under any circumstance. The revised statute reads as follows:

§49.155 (3m)(d) No funds distributed under par.(a) may be used for child care services that are provided for a child care provider who is the parent of the child or who resides with the child, unless the county determines that the care is necessary because of a special health condition of the child.

Registration Fee:

The \$100 maximum registration fee amount was set a number of years ago. One purpose was to pay for two weeks of care up front, if that was the provider's policy. It has been determined that the registration fee should no longer be used to cover this up-front charge. Therefore the maximum registration fee has been set at \$50 to cover the cost of registration, i.e. the primary purpose.

POLICY

Authorizing When The Person Providing The Care Is The Parent

Authorizations cannot be made for a parent when the parent is the person providing the child care. "Parent" is defined as the custodial parent, guardian, foster parent, treatment foster parent, legal custodian or a person acting in place of the parent.

Families, who are eligible for Wisconsin Shares child care subsidy, in which the parent is a provider can receive an authorization to another provider. This would free up slots for the child care provider or parent in his or her day care.

Examples of situations where care cannot be authorized for a child to a provider when the parent of the child is providing the care may include:

1. The parent is a certified or licensed family provider and is eligible to receive a child care subsidy. However, the parent can have his or her child care paid to another regulated provider.
2. The parent is employed by a certified or licensed family day care provider to perform job duties relating to the daily activities of providing day care at a location where care is being provided to their children. Note: Because family day care involves small group sizes, it is irrelevant if the children are separated into different "classrooms" for care. The parent would most likely be providing child care for their child at some point. However, the parent can have his or her child care paid if the children are at another location.
3. The parent is an employee of a licensed group day care and provides care to his/her own child. However, authorizations can be made if the parent does not provide care to his/her own children.
4. The parent owns the licensed group day care and the day care is a non-corporation for tax purposes. (The day care is either an individual, sole proprietor or partnership.) However, if the licensed group day care is a corporation for tax purposes (the day care is either a corporation, non-profit or government), the owner must answer to a board. If the owner of a center is a parent under these circumstances, the parent can receive an authorization for their child to be cared for in the licensed group center.

Local agencies must begin the process to identify and end authorizations where the parent is also the person providing care to his or her own children under circumstances described above. Local agencies must give parents adequate time to resolve the situation before the authorization is ended. The parent should seek and secure other arrangements as soon as possible, but it is strongly recommended that local agencies allow for up to six weeks before the authorization is ended.

In addition to the CARES generated notice, local agencies must send a manual notice to parents whose authorizations are ending due to the circumstances described above. The notice must :

1. Inform parents of the reason that the authorization must be ended which includes the following cite: §49.155(3m)(d),
2. Indicate when the authorization will end, and
3. Refer the parent to the appropriate Child Care Resource and Referral if such services are needed.

Maximum Registration Fee Amount

When requested by the parent or child care provider, a registration fee can be paid to the authorized provider, once the child has actual attendance at the center or home. The fee can be up to \$50 per child, per year, per provider. The provider must document that this is the price charged for private pay children as well.

There will be a new edit on screen CCSP that will not allow registration payment of greater than \$50. This new edit will become effective April 22, 2002.

Notice to providers: Attached to this memo is a draft of the check stuffer that will be sent to providers informing them of the change in policy relating to authorizing child care when the parent is providing the care. The check stuffer will be sent the last two weeks of April.

The policy change on the registration fee was not included in the check stuffer because local agencies have discretion on how this policy is communicated to providers.

CONTACT

DWS CARES Information & Problem Resolution Center

Email: carpolcc@dwd.state.wi.us
Telephone: (608) 261-6317 (Option #1)
Fax: (608) 266-8358

Note: Email contacts are preferred. Thank you.

Scott McCallum
Governor

Jennifer Reinert
Secretary

Ronald F. Hunt
Mary C. Rowin
Deputy Division Administrators



State of Wisconsin
Department of Workforce Development

WORKFORCE SOLUTIONS
Workforce Programs Bureau
201 E. Washington Ave., Rm. G100
P.O. Box 7972
Madison, WI 53707-7972
Telephone: (608) 266-5370
Fax: (608) 267-2392
<http://www.dwd.state.wi.us/>
e-mail: dwddws@dwd.state.wi.us

DRAFT

ATTENTION CHILD CARE PROVIDERS!

The State Office of Child Care has clarified state policy regarding parents who provide care to their children.

State statute indicates that authorizations cannot be made for a parent when the parent is the person providing the child care. State statute is as follows: s. 49.155 (3m)(d) No funds distributed under par.(a) may be used for child care services that are provided for a child care provider who is the parent of the child or who resides with the child, unless the county determines that the care is necessary because of a special health condition of the child.

Example of situations where care cannot be authorized for a child to a provider when the parent of the child is doing the care may include, but are not limited to:

- Parents who are a licensed or certified provider and are eligible to receive child care subsidy. Note: The parent could receive an authorization for their child to attend another regulated provider.
- Parents who are employed by a certified or licensed family day care provider to perform job duties relating to the daily activities of doing day care at a location where care is being provided to their child.
- The parent is an employee of a licensed day care center and provides care to his/her own child. If the child is cared for by staff other than the parent, the authorization can be made.
- The parent owns the licensed group center and the day care is a non-corporation for tax purposes.

Local agencies have been instructed to contact families where the parent meets one of the criteria listed above and inform them that the authorization must be ended. Parents will be given a reasonable amount of time to make other arrangements prior to the authorization being ended.